

### PAUL WORKS TO LOWER TAXES FOR SENIOR CITIZENS *Legislation Would end Taxation of Social Security Benefits*

Washington, DC: Congressman Ron Paul recently introduced two bills designed to lower taxes for senior citizens. "Seniors should spend their later years enjoying themselves, not dealing with the tax man," Paul stated. "Congress needs to understand just how harmful some of our tax laws are to seniors, many of whom live on fixed incomes."

The "Senior Citizens Tax Elimination Act" eliminates income taxes on Social Security benefits altogether, ensuring that seniors will not have to worry about incurring income taxes simply because they collect such benefits.

"We forget that Social Security benefits were not taxed before 1983," Paul stated. "Since the 1993 Clinton tax increase, however, up to 85% of benefits may be taxed. This represents an insidious form of double taxation, because Social Security benefits are funded with tax dollars in the first place. When Congress taxes Social Security, it really reduces those benefits by stealth. Congress likes to talk about protecting Social Security, but it continues to tax benefits. It's time to end the terrible income tax on Social Security benefits."

The "Senior IRA and Pension Preservation Act" provides both income tax relief and flexibility to seniors. Current tax law forces them to make mandatory withdrawals from their IRA and pension plans every year when they reach age 70 ½, and such withdrawals are taxed as income. Paul's legislation extends the withdrawal age to 80, allowing seniors to enjoy more tax-free buildup in their retirement plans while keeping their annual tax bills to a minimum.

"Seniors today are living longer and working past age 60 or 65," Paul stated. "Many don't want to deplete their IRAs and pensions until much later in life, and the tax rules certainly should not force them to make taxable withdrawals before they wish to do so. The tax rules should not assume that our vibrant seniors need IRA or pension plan income simply because they reach age 70 ½."